

HOUSE BILL No. 1396

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-1.1-6.5; IC 2-5-28.

Synopsis: Legislative office of accountability. Replaces the legislative council's evaluation and oversight of agencies and programs with the nonpartisan legislative office of accountability. Provides that the office, under the supervision of the legislative council, would conduct financial, operational, and performance audits of state agencies and instrumentalities.

Effective: July 1, 2004.

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January 20, 2004, read first time and referred to Committee on Rules and Legislative Procedures.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1396

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-1.1-6.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6.5. (a) **As used in this**
3 **section, "agency" includes an agency, an authority, a board, a**
4 **bureau, a commission, a committee, a department, a division, an**
5 **institution, or other similar entity created or established by law.**

6 **(b)** The council shall, upon consultation with the governor's office,
7 develop an annual report format taking into consideration, among other
8 things, program budgeting, with the final format to be determined by
9 the council. The format may be distributed to any agency. ~~(as defined~~
10 ~~in IC 2-5-21-1).~~ The agency shall complete and return fifteen (15)
11 copies to the legislative council before September 1 of each year for the
12 preceding fiscal year.

13 ~~(b)~~ **(c)** The council shall distribute one (1) copy to the governor's
14 office, one (1) copy to the budget agency, and three (3) copies to the
15 state library.

16 ~~(c)~~ **(d)** The reports are a public record and are open to inspection.

17 SECTION 2. IC 2-5-28 IS ADDED TO THE INDIANA CODE AS



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A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 28. Legislative Office of Accountability

Sec. 1. As used in this chapter, "audit" includes financial, operational, and performance audits.

Sec. 2. As used in this chapter, "office" refers to the legislative office of accountability established under this chapter.

Sec. 3. As used in this chapter, "state agency" means any board, commission, department, division, bureau, committee, agency, office, instrumentality, or authority, by whatever name designated, exercising any part of the executive, administrative, judicial, or legislative power of the state.

Sec. 4. The legislative council shall establish and maintain a nonpartisan legislative office of accountability to assist the general assembly in the performance of its constitutional responsibilities as a separate and independent branch of state government.

Sec. 5. In maintaining the office, the legislative council shall do the following:

- (1) Establish the qualifications for and employ personnel as are required to carry out the purposes of this chapter, including a director responsible for the supervision of the office.**
- (2) Adopt policies governing the personnel practices of all employees of the office.**
- (3) Determine and direct the work plan of the office.**

Sec. 6. The office, under the direction of the legislative council, shall do the following:

- (1) Conduct audits of state agencies, boards, commissions, and bodies corporate and politic created by statute. The audits must be conducted in accordance with generally accepted governmental auditing standards.**
- (2) Examine the books and accounts of the treasurer of state, auditor of state, and the state board of accounts as they related to state revenues and expenditures. These books and accounts may be examined monthly and may include detailed checking of every transaction or test checking.**
- (3) Periodically issue reports to the legislative council and the governor concerning the results of its examinations under this chapter. A report to the legislative council must be in an electronic format under IC 5-14-6.**
- (4) Immediately report in writing to the legislative council, the governor, and the attorney general whenever it appears in the**

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opinion of the director of the office that there may have occurred:

(A) any violation of state law; or

(B) any instances of misfeasance, malfeasance, or nonfeasance;

by an elected or appointed public office holder or employee.

(5) Immediately furnish to the attorney general all information in possession of the office regarding any report made under this section.

Sec. 7. (a) This section applies notwithstanding any law concerning the confidentiality of a public record as defined under IC 5-14-3.

(b) In the discharge of the duties imposed under this chapter, the office:

(1) may require state agencies to preserve and make available to the office their accounts, records, documents, vouchers, requisitions, payrolls, canceled checks, and other evidence of financial or other transactions, whether kept on paper or electronically;

(2) shall be granted entrance to any part of any public property, or any private property under lease to a state agency, without notice to the agency responsible for or occupying the property; and

(3) if the chairman of the legislative council gives written consent, has the power to issue a subpoena or subpoena duces tecum in aid of its functions under this chapter.

Sec. 8. In the discharge of the duties under this chapter, the office shall have access and the right to copy or otherwise secure all books, accounts, records, files, documents, and correspondence, confidential or otherwise, of any person or state agency subject to audit under this chapter. This section applies:

(1) whether or not the person or state agency has actual possession of the material sought by the office; and

(2) to paper and electronic copies.

Sec. 9. Any power, duty, right of access, or authority granted to the office under this chapter, other than the power of subpoena, may be delegated by the director of the office to the following:

(1) An employee of the office.

(2) A private accounting or other professional firm under contract with the office to conduct financial compliance or other audit work under this chapter.

Sec. 10. An employee or a contractor of the office, or any other

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1 **person entitled to access or copy material under sections 8 and 9 of**
2 **this chapter, is subject to the same:**
3 **(1) duty of confidentiality imposed by law on; and**
4 **(2) civil and criminal penalties imposed for violations of the**
5 **duty of confidentiality as;**
6 **the person or state agency in possession of the material.**
7 SECTION 3. IC 2-5-21 IS REPEALED [EFFECTIVE JULY 1,
8 2004].

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